Memorandum

Date: April 5, 2000

To: Bay-Delta Advisory Council

From: Chair Mike Madigan and Vice Chair Sunne McPeak

Subject: Draft Recommendation on CALFED Preferred Program Alternative and Future Implementation

Introduction

We want to thank BDAC members for the very meaningful and forward thinking discussion we had on the CALFED Preferred Program Alternative at the last BDAC meeting on February 17, 2000. The Council's assessment accurately reflects the controversies facing the CALFED Bay-Delta Program and the state and federal officials who are now discussing how the government should respond to the issues raised by us and other stakeholders. We strongly support continuation of these discussions to reach agreement on the essential additional actions and specificity needed to achieve a workable solution.

Also, we want to thank the BDAC members who responded to our request to comment on the draft motion that was discussed on February 17. We received over 70 pages of comments (enclosed). Based on those comments, we are proposing a draft recommendation, including a proposed preamble for the programmatic EIS/EIR federal Record of Decision and state Certification, for BDAC discussion and formulation of a final recommendation to the CALFED Policy Group on April 13. The Policy Group is scheduled to meet on April 19 to consider our written recommendation.

On April 13, we will be seeking as much agreement as possible from BDAC members on the recommendation and preamble. The recommendation to the Policy Group will reflect the areas of agreement and the issues that are still outstanding. Our recommendation will likely be used in further state/federal discussions on CALFED implementation.

E-022472

Changes to the February 17 draft motion and 2/20/2000 draft Preamble to CALFED Record of Decision are indicated as underline and ~~strikeout.~~ As BDAC members review all of the comments that were submitted there is likely to be subsequent drafts for BDAC to review on April 13.

We look forward to a productive discussion.

Draft Recommendation

The Bay-Delta Advisory Council acknowledges that the CALFED preferred program alternative is programmatic and thus imbedded in it are many options for implementing the CALFED program over the next twenty to thirty years. The Bay-Delta Advisory Council believes that the Preferred Program Alternative as it is written is not sufficient to be a workable solution but contains the framework for an acceptable solution if modified to include more action in Stage 1 and greater specificity of actions that will ensure continuous improvement in ecosystem restoration, water supply reliability, and water quality.

The Council recommends to the CALFED agencies aggressive progress from now and into implementation of the CALFED Program on the following issues. This progress will lead to important future decisions on the best solution alternative for the Bay-Delta watershed, consistent with the CALFED mission and Solution Principles:

- Identifying assured ~~guaranteed~~ funding for all Program elements, ~~especially ecosystem restoration~~. Funding shall not be exempt from annual appropriations processes.

- Developing long term funding formulae for all Program elements. Formulae should include appropriate contributions from all beneficiaries in proportion to benefits received.

- Guaranteeing Delta inflows and outflows that support native fish and wildlife populations, with specific emphasis on endangered species and tying to corresponding improvements in ocean fisheries management, water supply reliability and availability for all beneficial uses.

E-022473

- Developing water use efficiency quantifiable objectives for all economic sectors and optimizing water use efficiency for environmental, urban and agricultural uses under all circumstances.

- Optimizing links between storage, water use efficiency, environmental restoration, water quality and water transfers.

- Instituting a transparent decision making process that incorporates participation with tribes, local and environmental justice interests. The decision-making structure and process must include high-level representatives from each of the CALFED agencies, institutionalize stakeholder participation and address participation by the California Legislature and Congress. Refer to the attached December 10, 1999 memo from Mike Madigan and Sunne Wright McPeak to Hap Dunning and Eze Burts for more detail.

- Reaching decisions in Stage 1 regarding storage. ~~and conveyance facilities~~. Identify in the Record of Decision/Certification specific storage facilities to be planned and engineered with the goal of reaching decisions on permitting storage and initiating construction in Stage 1.

- Reaching a decision on the Hood Diversion in Stage 1.

- Optimize through Delta conveyance in order to meet in-Delta and export water quality, ecosystem restoration, and water conveyance goals. Reach agreement on the timetable for optimizing through-Delta conveyance and operating optimized facilities to observe results though a sufficient number of representative water years (for example, 7 to 10 years)

- Conducting in Stage 1 the requisite feasibility studies for isolated conveyance, provided that there is a sincere effort to optimize through-Delta conveyance and other water quality improvement strategies.

- Accurately identifying water supply increases from CALFED and private party actions.

- Balancing competing water quality and quantity needs within and outside the Delta.

- Implementing the ecosystem restoration plan and environmental water account to provide assurances that Delta fisheries are in a "no jeopardy" condition. Establish and capitalize the environmental water account with a "water budget" and ensure that additional water is not taken from supplies through further regulatory actions.

- Providing water supply reliability assurances during Stage 1.

- Revising state and federal water operations rules to incorporate "alarms" for elevating decisions when water quality and supply objectives, as well as fisheries objectives, are threatened.

The Bay-Delta Advisory Council also recommends the following preamble for the Record of Decision/Certification.

Draft Recommended Preamble for Record of Decision/Certification

This Record of Decision (ROD)/Certification adopts a programmatic environmental assessment of a preferred alternative. This Decision and Certification allows continuation of ~~will make it possible to begin~~ the process to site specific environmental improvements ~~assessments~~ and to have early implementation ~~of~~ many well defined and ~~critically~~ badly needed components of the overall plan. However, in some important respects the ROD/Certification can only be regarded as the selection of a preferred approach to management of the Delta and its watershed. ~~This approach has yet to be analyzed for viability and then developed and modified over time.~~ Potential c~~C~~onflicts among objectives have yet to be fully analyzed and balanced within the availability of limited resources. Uncertainties in science and technology will require flexibility, and ~~but~~ substantial commitments should not be based on highly speculative judgements. The preferred alternative commits to a "through-Delta" conveyance of water for export, and to the pursuit of measures to improve water quality, protection of fish, and to closing the gap between water supply and demand, ~~etc~~. The purpose of this preamble is to commit CALFED to making the analyses that are needed (a) to develop and better define the preferred alternative, ~~and~~ (b) to assure that there is a carefully considered balance among goals that

E-022475

compete for limited water and land resources, and (c) to establish the ground rules and boundaries that will govern the further development of the preferred alternative and its major components to a stage of development and specificity that can then be implemented. With this ROD/Certification: ~~These commitments fall roughly into several categories.~~

~~General Category~~
CALFED commits to compliance with the CALFED Solution Principles.

- Reduce Conflicts in the System -- Solutions will reduce major conflicts among beneficial uses of water.

- Be Equitable — Solutions will focus on solving problems in all problem areas. Improvements for some problems will not be made without corresponding improvements for other problems.

- Be Affordable -- Solutions will be implementable and maintainable within the foreseeable resources of the Program and stakeholders.

- Be Durable -- Solutions will have political and economic staying power and will sustain the resources they were designed to protect and enhance.

- Be Implementable -- Solutions will have broad public acceptance and legal feasibility, and will be timely and relatively simple to implement compared with other alternatives.

- Have No Significant Redirected Impacts — Solutions will not solve problems in the Bay-Delta system by redirecting significant negative impacts, when viewed in their entirety, within the Bay-Delta or to other regions of California.

~~Mission statement. That solutions will solve problems in all problem areas Improvement for some problems will not be made without corresponding improvement for other problems and CALFED will avoid significant redirected impacts.~~ As California's population continues to increase, ~~In this context~~ "problem areas" ~~are now understood to~~ include~~:d~~, ~~for example~~, both terrestrial and aquatic habitat; both export and area of origin (including the Delta); water supply and quality; land and other resource needs for each of

urban, environmental, and agricultural purposes ~~as the population grows; etc~~. Improvements in ~~More adequate~~ water quality, for example, for one purpose or region of use will not decrease ~~does not substitute for less adequate~~ water quality for another purpose or region of use.

- CALFED commits ~~pledges~~ that every broad or site specific measure for achieving CALFED goals will be analyzed technically and impartially before adoption and implementation in order to assure: compliance with CALFED's principles; compatibility with other goals; avoidance of third party and cumulative impacts; addressing related environmental justice problems and impacts; and ~~for~~ a balanced use of limited natural and financial resources. CALFED will create clear criteria for determining third party, environmental justice and cumulative impacts. This will be done and revisions of the plan made by a process covered elsewhere in the ROD/Certification.

- In providing for the needs of California's environment and growing population over the life of the plan, CALFED will not rely on depletion of natural soil and groundwater resources.

- CALFED will identify which decisions will be made in Stages I and II of implementation.

- CALFED will adopt environmental justice as an operating principle and include the principle in the decision-making process. The process will commit to developing strategies that empower and engage community-based organizations, urban watershed groups, tribes and affected local residents to address program objectives.

Through-Delta Conveyance

In developing an optimum plan for through Delta conveyance of water for export, the analyses and requirements of the plan will include but not be limited to the following.

- The Preferred Program Alternative for through-Delta conveyance and interrelated plans will be fully analyzed and modified as necessary to comply with all of the state and federal current and future water salinity and dissolved oxygen standards.

- The Preferred Program Alternative ~~It~~ also will ~~will also~~ be optimized for compatible and balanced provision of in-Delta habitat, ~~and~~ fish protection, native wildlife, in-Delta water quality, export water quality, protection of adequate South Delta water levels, conveyance of flood flows, and seismic risk, ~~etc~~. Local expertise, i.e. U.C. Extension Services, farm advisors, NRCS District Conservationists, CDFG Unit Managers, will be fully utilized in making this assessment.

- This optimization will include consideration of alternative ways to get Sacramento River water to the Central Delta with balanced protection of fishery ies and native wildlife. The alternatives considered will include real time flow control through the Cross Channel, ~~through~~ Georgiana Slough, and ~~through~~ Steamboat Slough, modification of flow patterns by dredging, flow control barriers, behavioral and screened control of fish, ~~etc~~. Optimization may also include a new channel from the Sacramento River to the Mokelumne channels providing that it is physically limited in capacity to not more than 4 ~~3~~,000 cfs and can not readily be expanded in capacity.

- ~~If there is any~~ Sstudy of an isolated conveyance facility, as a backup in the event that an optimized through-Delta system does not provide sufficient improvement in fisheries, water quality, and water supply reliability, ~~proves inadequate as a balanced method of protecting all interests, then Such the study~~ must be independent of the optimizing process so that proponents of such a facility ~~canal~~ can not jeopardize that optimization process.

- Provided baseline environmental and regulatory conditions have not significantly altered the prospects of successful optimization of a through-Delta strategy, the judgement as to whether the through-Delta conveyance system has been optimized, and the judgement as to whether it has been adequately tested must be made after all major features have been in place and operated through a sufficient number of years to constitute a representative spectrum of water years. In addition ~~and~~ results must have been monitored through a representative series of hydraulic situations. This assessment must then be made by an open process which includes deliberation by all interests that are directly affected by water management in the Central Valley watershed.

E-022478

Water Quality

Water quality improvement for one region or one purpose of use will not be made in a way that would degrade the desirable quality of water for another region or purpose of use. Because ~~However, the~~ water quality needs vary depending on ~~its~~ uses, ~~that is desirable differs for different~~ water transfers and/or exchanges ~~trades~~ can be made, ~~therefore, provide a net benefit~~ but must be avoided if they cause or exacerbate problems of salt disposal, degrade groundwater quality, impact fisheries, increase fish contamination or reduce the opportunity for multiple use or reuse of water by parties other than the transferor.

New water development usually provides high quality water, and this can provide an overall water quality improvement which is not adverse to any user or purpose of use. However, manipulation of the new supply to benefit quality for a particular purpose of use may diminish the potential magnitude of the new supply. Such benefits should be funded by beneficiaries in proportion to benefits derived. ~~The use of new supplies will not be made in ways that reduce the potential for narrowing the gap between supply and demand.~~

Water Supply (Staff note: This section raises issues related to the California Department of Water Resources water supply planning responsibilities for California)

CALFED will promptly forecast a range of probable water supply needs in and from the Central Valley to meet the reasonable future needs for urban, environmental, and agricultural purposes throughout the life of the CALFED plan. In addition, CALFED will promptly forecast ~~and~~ how much water supply is needed to avoid long term overdraft of groundwater.

The environmental need will be based on CALFED's proposed ecosystem ~~environmental~~ restoration plan. The urban need will be based on urban growth estimates with due regard to predicted and planned population centers ~~growth~~. The agricultural need will be considered to be within a range for which the lower end would maintain the average level of consumptive water use that has been available over the past decade for the production of agricultural products on 10 million acres of prime irrigated land and 20 million acres of range or grazing land. The upper end of the range would maintain this same level of water for consumptive use on a per capita basis over time as the population grows.

CALFED will then assess the extent that this overall need can realistically be expected

E-022479

to be met with existing infrastructure and ~~how much more~~ with the following methods that are commensurate with the alternative ~~future~~ cost of water development:

(a) realistically achievable improvement in multiple use of existing supplies,
(b) realistic improvement in water recycling by districts,
(c) realistic recycling of stream flows, and
(d) realistically achievable desalinization of water otherwise too salty for reuse by methods that include the disposal of salt and other water borne contaminants.

With the likelihood of ~~This then will provide a range of~~ probable shortages in water supply over the life of the plan, CALFED will ~~then~~ examine the physical feasibility of developing enough increase in water supply to avoid this shortage. It will examine the most cost effective and the least environmentally damaging ways to provide the groundwater and surface storage necessary to ~~this~~ increase ~~in~~ supply, and will identify yields, costs and benefits of the different projects. It will examine the environmental, social, and other costs if the supply is not provided and the water shortage is shared in a balanced manner among the environmental, urban, and agricultural needs. It will examine the increase in value of water that would be necessary to justify the cost of the needed additional water supply, and the lead time necessary to increase the supply.

After these analyses are available there will be an open process of evaluating the results and determine to what degree the legislature and the electorate wish to close the gap between supply and demand versus coping ~~living~~ with the consequences of a future shortage.

E-022480